

Message Text

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ACTION NEA-10

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R 151546Z DEC 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 9749

C O N F I D E N T I A L SECTION 1 OF 2 CAIRO 17308

PASS AGRICULTURE FOR FAS AND ERS

EO 11652: GDS
TAGS: EAGR, EG
SUBJ: PM'S POLICY STATEMENT BEFORE PEOPLES ASSEMBLY

REF CAIRO 17162,

1. SUMMARY: PORTIONS OF SUBJECT STATEMENT CONCERNED WITH AGRICULTURAL POLICY, IRRIGATION AND LAND RECLAMATION WERE CULMINATION OF RECENT FLURRY OF GOVT STATEMENTS AND PRESS COVERAGE THESE SUBJECTS. AS WITH OTHER RECENT PRONOUNCEMENTS, PM'S POLICY STATEMENT ESTABLISHED AMBITIOUS GOALS FOR AGRICULTURE IN COMING YEAR WITHOUT ADEQUATE EXPLANATION WHERE NECESSARY RESOURCES WILL BE FOUND AND DO NOT STAND UP TO OBJECTIVE ANALYSIS. IN PARTICULAR, STATED OBJECTIVES FOR LAND RECLAMATION SCHEMES SEEM TO ASSUME THAT PLANS ARE ACTUAL ACCOMPLISHMENTS AND IGNORE NECESSARY TIME SPAN REQUIRED TO BRING RECLAIMED LAND INTO PRODUCTION. MISSION CAN ONLY CONCLUDE THAT POLICY STATEMENT WAS LARGELY INTENDED FOR DOMESTIC CONSUMPTION. END SUMMARY

2. PM'S POLICY STATEMENT BEFORE PEOPLES ASSEMBLY ON DEC 11 CLIMAXED UNUSUAL ATTENTION DEVOTED TO AGRICULTURE IN PRESS AND GOVT STATEMENTS DURING LAST TWO WEEKS. PRES SADAT MET WITH PM SALEM. MIN OF AGRICULTURE AND IRRIGATION ABUL ATTA, AND MIN OF STATE FOR AGRICULTURE AND SUDAN AFFAIRS, AZIZ HUSSEIN, ON NOV 27 AND ISSUED SWEEPING SET OF DIRECTIVES CONCERNING POLICY IN FIELDS OF AGRICULTURE, LAND RECLAMATION, CONFIDENTIAL

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POULTRY AND MEAT PRODUCTION, AGRICULTURAL INDUSTRIES AND

IRRIGATION. DIRECTIVES WERE GIVEN EXTENSIVE PRESS COVERAGE ON NOV 28 AS SUMMARIZED BELOW;

(A) PRES WAS QUOTED AS BEING SATISFIED WITH PROGRESS IN INCREASING PRODUCTION OF COTTON, BEANS, SUGAR CANE, WHEAT AND MAIZE AND DIRECTED THAT NECESSARY STEPS BE TAKEN TO ACHIEVE SELF-SUFFICIENCY IN SUGAR AND BEANS, TO INCREASE COTTON PRODUCTION BY 1.7 MILLION KANTARS, AND TO INCREASE EXPORTS OF RICE (FROM 235,000 TO 350,000 TONS), CITRUS (FROM 222,000 TO 350,000 TONS) AND ONIONS (FROM 63,000 TO 110,000 TONS). AREA PLANTED IN HYV OF WHEAT IS TO BE INCREASED TO 600,000 FEDDANS.

(B) PRES EXPRESSED SATISFACTION WITH ACHIEVEMENTS TO DATE IN LAND RECLAMATION AND ASKED GOVT TO CONTINUE POLICY OF MAKING RECLAIMED LAND AVAILABLE TO FARMERS AND GRADUATES OF AGRICULTURAL INSTITUTIONS FOR OWNERSHIP WITH AGRO-INDUSTRIAL COMPANIES ALSO BEING SET UP TO MAKE USE OF RECLAIMED LAND. RECLAIMED LAND NOT USED AS STATED ABOVE IS TO BE SOLD AT AUCTION WITH PROCEEDS OF LE 15 MILLION IN 1977 AVAILABLE FOR PLANNED EXPANSION OF ADDITIONAL 2.5 MILLION FEDDANS.

(C) PRES APPROVED PLANS TO INCREASE POULTRY PRODUCTION TO 56 MILLION CHICKENS IN 1977 AND 70 MILLION IN 1978, COMPARED WITH 24.6 MILLION IN 1975 AND 43 MILLION IN 1976. PRIVATE SECTOR IS TO BE ENCOURAGED IN FIELD OF ANIMAL HUSBANDRY WITH PRIVATE SECTOR BREEDING CENTERS TO INCREASE FROM 5548 IN 1975 TO 5,000 IN 1980. PUBLIC SECTOR MEAT COMPANY WAS DIRECTED TO INCREASE CATTLE PRODUCTION TO 19,200 HEAD IN 1977 AND 50,000 IN 1980, COMPARED WITH 3,425 IN 1975 AND 6,807 IN 1976. SHEEP ARE TO BE RAISED ON 12,000 FEDDANS IN WEST NUBARIA AND AN AREA OF 18,000 FEDDANS WILL BE ALLOCATED FOR DAIRY PRODUCTS AND VEGETABLES IN AL-MULAK.

(D) AGRICULTURAL-INDUSTRIAL ACTIVITIES ARE EXPECTED TO MAKE EGYPT A NET EXPORTER OF PROCESSED AGRICULTURAL PRODUCTS BY THE YEAR 2000 WITH ASSISTANCE FROM ARAB AND OTHER FOREIGN CAPITAL. A COMPLEX (EXACT NATURE NOT SPECIFIED) IS TO BE ESTABLISHED ON 25,000 FEDDANS AT MARIUT.

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(E) PRES WAS QUOTED AS DIRECTING THAT MORE EFFICIENT USE BE MADE OF IRRIGATION WATER TO PROVIDE RESOURCES FOR ADDITIONAL EXPANSION. PRESS REPORTS STATED PRESENT WATER SURPLUS AT 17 BILLION CUBIC METERS WITH ANOTHER 9 BILLION TO COME FROM UPPER NILE SCHEMES, AND FURTHER SAID THAT ADVANCED METHODS OF TECHNOLOGY COULD SAVE UP TO 70 PERCENT OF 51 BILLION CUBIC METERS PRESENTLY USED.

3. IN A BAIRAM SPEECH IN ISMAILIA ON DEC 4, PRES SADAT AGAIN GAVE CONSIDERABLE ATTENTION TO AGRICULTURE, COMMENTING ON PROGRESS IN CANAL AREA SINCE 1973 WAR, AGAIN STATING OBJECTIVE OF FOOD SELF-SUFFICIENCY WITH EXCEPTION OF WHEAT, AND MILDLY CHIDED EGYPTIAN AGRICULTURE FOR NOT HAVING ALREADY REACHED THAT OBJECTIVE.

4. PRESS REPORTED ON DEC 8 THAT PRES SADAT HAD ORDERED TRANSFER OF LE 1.7 MILLION FROM BANQUE MISR TO NASSER SOCIAL BANK, WITH LE 1 MILLION TO BE DEVOTED TO FOODSTUFF PROJECTS TO SOLVE THE PROBLEM OF FOOD REQUIREMENTS BY INCREASING OUTPUT.

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C O N F I D E N T I A L SECTION 2 OF 2 CAIRO 17308

PASS AGRICULTURE FOR FAS AND ERS

5. INFLUENTIAL NEWSPAPER, AL-AHRAM, CARRIED EXTENSIVE INTERVIEW WITH MIN ABOUL ATTA ON DEC 10 WHICH WAS LARGELY PREVIEW OF PM'S POLICY STATEMENT ON AGRICULTURE FOLLOWING DAY BEFORE PEOPLES ASSEMBLY. ABOUL ATTA PROVIDED FOLLOWING ESTIMATES OF 1975/76 CROP PRODUCTION AND TARGETS FOR 1976/77:

YEAR BEGINNING OCT 1 1975

COMMODITY AREA1/ PRODUCTION 2/

COTTON	1,260	7.6 3/
SUGARCANE	218	7.8
RICE	1,053	(2.4)
BROAD BEANS	250	.234

SESAME	33	.017
LENTILS	58	.038
WHEAT	1,400	1.9
EDIBLE OILS	NA	.090

TOTALS 4,272

YEAR BEGINNING OCT 1 1976

COMMODITY AREA 1/ PRODUCTION 2/

COTTON 1,500 9.5 3/
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SUGARCANE	260	10.0
RICE	1,100	(2.5)
BROAD BEANS	350	.360
SESAME	45	.026
LENTILS	75	.055
WHEAT	1,200	1.9
EDIBLE OILS	NA	.125

TOTALS 4,530 --

1/ THOUSAND FEDDANS (1 FEDDAN EQUALS 1.038 ACRES).

2/ MILLION METRIC TONS (EXCEPT COTTON)

3/ MILLION METRIC KANTARS (1 KANTAR EQUALS 50 KG)

ABOUL ATTA WAS ALSO QUOTED AS STATING THAT EGYPT CANNOT MEET ITS FOOD NEEDS AS LONG AS 40 PERCENT OF AGRICULTURAL LAND IS PLANTED IN CLOVER TO FEED 4 MILLION DONKEYS AND 4 MILLION OTHER DRAFT ANIMALS WHICH DO NOT YIELD MILK OR MEAT. HE STATED THAT THE TIME FOR USING ANIMALS FOR POWER SOURCE HAS ENDED AND SUITABLE MACHINES MUST BE USED TO REPLACE THEM.

6. AT LEAST IN FIELDS OF AGRICULTURE AND RELATED SUBJECTS, PM'S STATMENT ON DEC 11 WAS ALMOST COMPLETELY REPEAT OF EARLIER ANNOUNCEMENTS REPORTED ABOVE WITH FOLLOWING DISCREPANCIES AND ADDITIONAL DETAL:

(A) 1976/77 PRODUCTION OF COTTON TARGETED AT 9.5 MILLION KANTARS COMPARED WITH 7.6 MILLION IN 1975/76, INCREASE OF 1.9 MILLION INSTEAD OF 1.7 MILLION MENTIONED BY PRES SADAT ON NOV 27 BUT CONSISTENT WITH ABOUL ATTA'S ANNOUNCEMENT PREVIOUS DAY; (B) SELF-SUFFICIENCY IN SUGAR AND BEANS WILL BE ACHIEVED BY INCREASING AREA FROM 218,000 TO 260,000 FEDDANS AND FROM 250,000 TO 350,000, RESPECTIVELY; (C) REICE EXPORTS TO BE INCREASED TO 450,000 TONS IN 1976/77 INSTEAD OF TO 350,000 MENTIONED IN NOV 27 STATEMENT (PROBABLY

TYPOGRAPHICAL ERROR) (D) PRESENT AREA PLANTED IN HYV
WHEAT STATED AS 200,000 FEDDANS; (E) POULTRY PRODUCTION
IN 1975 STATED AS 21 MILLION AND 1980 TARGET AS 100 MILLION;
(F) PRODUCTION OF EGGS REPORTED AS 58 MILLION IN 1975 AND 74
MILLION IN 1976 WITH TARGETS FOR 1977 AND 1980 OF 120 MILLION
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AND 250 MILLION, RESPECTIVELY AND (G) FODDER PRODUCTION
FORECAST TO REACH 1 MILLION TONS IN 1977 AGAINST
830,000 IN 1976 WITH PRIVATE SECTOR BEING ALLOWED TO IMPORT
AND PRODUCE FODDER. SOME RELATIVELY INSIGNIFICANT DIFFER-
ENCES IN WATER AVAILABILITY BETWEEN DEC 11 AND EARLIER STATE-
MENTS.

7. COMMENT: MISSION CANNOT RECONCILE FIGURES MENTIONED IN
VARIOUS STATEMENTS REPORTED ABOVE WITH REALITY. FOR EXAMPLE,
ABOUL ATTA'S FIGURES ON DEC 10 SHOW NET INCREASE IN PLANTED
AREA OF 258,000 FEDDANS. IN A COUNTRY WHERE EVERY ACRE OF
ARABLE LAND IS ALREADY BEING PLANTED, THAT INCREASE MUST COME
FROM SOME OTHER CROPS. SINCE COARSE GRAINS (MAIZE, BARLEY,
MILLET, ETC) WHERE NOT INCLUDED, IT COULD BE IMPLIED AREA
IIN THESE CROPS WILL BE REDUCED BUT THIS HARDLY SEEMS LIKELY
IN COUNTRY WHICH HAS CHRONIC FEED SHORTAGE AND ALREADY MUST
USE DESPERATELY NEEDED FOREIGN EXCHANGE TO IMPORT FEEDGRAINS.
"ALICE IN WONDERLAND" REACTION IS APPROPRIATE WITH RESPECT
TO THESE GRANDIOSE TARGETS PARTICULARLY THOSE FOR LAND
RECLAMATION. ACCORDING GOE OFFICIALS, THIS IS 10-YEAR CYCLE
COSTING DOLLARS 750 PER FEDDAN AT 1971 PRICES, ONLY
912,000 FEDDANS SUITABLE FOR RECLAMATION HAVE BEEN IDENTI-
FIED, AND A MERE 3000,000 FEDDANS HAVE REACHED THE HALF-
WAY POINT (5 YEARS AFTER WORK BEGAN) WHERE YIELDS OF
ONE-FIFTH THOSE IN NILE DELTA AND VALLED ARE EXPECTED.
DISCUSSION OF ANOTHER 2.5 MILLION FEDDANS BECOMING AVAILABLE
IN NEAR FUTURE IS SIMPLE OUT OF REALM OF POSSIBILITY EVEN IF
THE 17.5 BILLION CUBIC METERS OF SURPLUS WATER MENTIONED
ABOVE WERE ACTUALLY AVAILABLE. THIS SURPLUS IS ONLY THEORE-
TICAL SINCE ALL AVAILABLE WATER IS PRESENTLY BEING USED
ALBEIT IN EXCESS OF ACTUAL NEEDS. IN ABSENCE ANY MENTION
OF CHANGES IN BASIC PROBLEMS OF EGYPTIAN AGRICULTURE, PAR-
TICULARLY UNREALISTICALLY LOW PRICES PAID TO FARMERS FOR
BASIC CROPS, MISSION ACCORDINGLY ANTICIPATES LITTLE CHANGE
IN AGRICULTURAL PRODUCTION OR LAND RECLAMATION IN 1976/77
WHILE POPULATION AND DOMESTIC DEMAND CONTINUE TO INCREASE.
END COMMENT.
EILTS

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